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REPORT OF THE COMMISSION ON ITS TWENTY-SIXTH SESSION

Draft report

Addendum

Rapporteur: J. A. MWANIKI (Kenya)

Chapter ___. SPECIAL ISSUES

B. Effects of structural adjustment programmes and the debt burden on the work programmes of national and international statistical services

1. The Commission considered item 3 (b) of its agenda at its 446th and 447th meetings, on 11 February 1991. It had before it the following documents:

(a) Report of the Secretary-General on the effects of structural adjustment programmes and the debt burden on the work programmes of national and international statistical services (E/CN.3/1991/4);

(b) Report of the Secretary-General on the progress made in the development of a co-ordinated United Nations system data base for selected social statistics and indicators of common interest and the development of related national data bases (E/CN.3/1991/20).

The Commission heard statements made by the representatives of the World Bank and the International Monetary Fund (IMF).

2. The representative of the World Bank said that the Secretary-General's report (E/CN.3/1991/4) was too general and that it over-simplified the complexities of the structural adjustment process. In particular, it was the World Bank's view that adjustment policies went beyond balance-of-payments problems. The effects of structural adjustment on statistical offices were a matter not only of facing cutbacks in existing programmes, but also of meeting new programme challenges. Among such challenges was the need for different kinds of data to serve as an information base for policy makers - for example, indicators that addressed the social aspects of the adjustment process. With regard to the International Development Strategy for the Fourth United Nations Development Decade, his organization agreed that there was a need to look at the statistical implications of the Strategy. He emphasized the importance of a co-ordinated national and international effort among both data users and producers in order to identify the statistical indicators required to monitor the Strategy's goals.

3. The representative of IMF expressed satisfaction that the report appeared to have taken a number of the Fund's comments into account and was more balanced than an earlier version had been. However, IMF was of the opinion that the report still did not address the improvements in the areas of statistics that were of direct concern in the adjustment process, namely balance of payments and monetary and fiscal statistics. He acknowledged, however, that most often those statistics were compiled by central banks and ministries of finance rather than national statistical offices. He said that IMF had increased technical assistance and had expanded training programmes in the area of statistics. He reminded the Commission that, since the objective of a structural adjustment programme was to increase resources by the end of the programme, the assumption was that there would be increased resources for statistical offices to use.

4. The Commission noted that the general information on structural adjustment and the debt burden contained in section I of the report had been included as background information. The Commission considered that the discussion should therefore focus on the statistical issues raised in sections II and III. It was recognized that different organizations might have different interpretations of the phenomena of structural adjustment and the debt burden. The Commission was of the opinion that the report, supplemented by the statements of the representatives of the World Bank and IMF, would serve as a useful basis for the discussion.

5. The Commission's discussion of the impact of structural adjustment and the debt burden on national statistical offices and the statistical implications of the International Development Strategy for the Fourth United Nations Development Decade was not conclusive. The Commission noted that only a small number of developing countries had responded to the inquiry concerning the impact of structural adjustment and the debt burden on their work. Moreover, since the International Development Strategy had been adopted only in December 1990, an analysis of it was not possible.

6. One member noted that due to policies of the World Bank and IMF, public expenditures in many countries had been reduced, with serious deleterious effects on statistical services. A series of events that had taken place under structural adjustment was described, including a salary freeze, subsequent loss of statistical

office staff and the impossibility of recruiting statisticians, owing to preference being given to offices involved in customs and taxation; the end result was that the Statistical Office concerned had suffered a 30 per cent reduction in staff.

7. The Commission noted that one element of the adjustment process was austerity measures, which resulted in budget cuts. Such cuts affected statistical services as well as other public sector services. However, it was reported that in some cases the impact of structural adjustment on statistical offices might not be typical of other parts of the national civil services because of the availability of project funds. One member supported the thrust of the report, but pointed out that statistical offices did not always grasp or react quickly enough to requests for current data. Another view expressed was that national statistical offices were not always well-placed within the government structure to be informed of the need for statistical support to determine the effects of structural analysis. It was noted, in particular, that in francophone Africa, whilst policies on structural adjustment had been initiated in finance and economic ministries, statistical offices had remained in planning ministries. That had made communication between statisticians and policy makers difficult.

8. In view of the strong interest in the subject, the anticipated duration of the impact of structural adjustment and the importance of the International Development Strategy for development policies and programmes, the Commission recommended that the Statistical Office circulate the report, the comments of the World Bank and the International Monetary Fund, and the section of the Commission's report dealing with the subject to all developing countries for comment. The comments received and related materials could then be brought to the attention of the Working Group for its views on further action on the subject.

Action taken by the Commission

9. The Commission:

(a) Requested the Statistical Office to circulate the report of the Secretary-General, the statements of the World Bank and IMF and the relevant section of the report of the Commission to all national statistical offices in developing countries for comment;

(b) Requested the Statistical Office to transmit the comments received and related materials to the Working Group for its views on further action.